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UNITED STATES DEPARTMENT OF COMMERCE
National Telecommunications and
Information Administration
Washington, D.C. 20230

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OFFICE OF THE CHAIRMAN

April 12, 1999

APR 16 1999

Federal Communications Commission
Office of Secretary

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
The Portals
445 Twelfth Street, S.W.
Washington, D.C. 20554


Re: *Ex Parte* Letter on Truth-in-Billing Format, CC Docket No. 98-170

Dear Ms. Salas:

Enclosed please find two copies of the Letter from Assistant Secretary Larry Irving, National Telecommunications and Information Administration, Department of Commerce, to Chairman Kennard in the above-captioned proceeding. A copy of this letter was also hand-delivered to each of the Commissioners, Kathryn C. Brown, Chief of Staff, and Lawrence E. Strickling, Chief of the Common Carrier Bureau.

Please direct any questions you may have regarding this filing to the undersigned. Thank you for your cooperation.

Respectfully submitted,


Kathy D. Smith
Acting Chief Counsel

Enclosures

cc: The Honorable William E. Kennard
The Honorable Susan Ness
The Honorable Harold Furchtgott-Roth
The Honorable Michael Powell
The Honorable Gloria Tristani
Kathryn C. Brown, Chief of Staff
Lawrence E. Strickling, Chief, Common Carrier Bureau

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UNITED STATES DEPARTMENT OF COMMERCE
The Assistant Secretary for Communications
and Information
Washington, D.C. 20230

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APR 12 1999

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Federal Communications Commission
Office of Secretary

The Honorable William E. Kennard
Chairman
Federal Communications Commission
The Portals
445 12th Street, S.W.
Washington, D.C. 20554

Re: Truth-in-Billing and Billing Format, CC Docket No. 98-170

Dear Chairman Kennard:

I am writing to express our strong support for the pro-consumer goals that underlie the Commission's Truth-in-Billing and Billing Format proceeding.¹ The pro-competitive policies of the last several decades are transforming the telecommunications marketplace into one in which consumers can select from an expanding choice of traditional telephone service providers, as well as new service offerings, including 900 services, wireless communications, Internet access, and broadband residential services. As the Commission and other commenters have articulated, current customer bills often contain vague, misleading, confusing and even erroneous or fraudulent items.²

The National Telecommunications and Information Administration (NTIA) supports the Commission's efforts to ensure that customers know exactly what they are paying for. This information is important and necessary to make competition work.

¹ Truth-in-Billing and Billing Format, Notice of Proposed Rulemaking, 13 FCC Rcd 18176(1998) (NPRM).

² See, e.g., NPRM, 13 FCC Rcd at 18176-18177, ¶¶ 1-3; Comments of the Nat'l Ass'n of Attorneys Gen., at 2-3; Comments of the Nat'l Consumer League, at 2; Comments of the Indep. Tel. and Telecomm. Alliance, at 1-2; Comments of the Nat'l Ass'n of State Util. Consumer Advocates, at 6; Comments of the Fla. Pub. Serv. Comm'n, at 1; Comments of the Tex. Office of Pub. Util. Counsel, at 1-2; Comments of the Pub. Serv. Comm'n of Wis., at 1; Comments of the N.Y. State Consumer Protection Bd., at 3.

Consumers will be better equipped to make informed buying choices in an increasingly competitive market if they can easily determine what services they receive, from whom, and at what price. Equally important, clear and simple bills should help consumers to detect inappropriate charges resulting from either billing error or fraud. Consumers, for example, should have sufficient information to detect slamming practices, involving an unauthorized switch to a new long distance carrier, and to detect cramming practices, involving charges for services not ordered or received. We also urge the Commission to expedite enforcement actions against carriers that engage in slamming and cramming.

We applaud the Commission's expressed desire to work collaboratively with the states, other federal agencies, consumer groups, and the industry, toward billing reform.³ The typical bill covers a range of services that are intrastate, as well as interstate in nature. As a result, there is a legitimate question about the Commission's jurisdiction to prescribe regulations that would govern all facets of customers' bills. Also, the states, consumer groups, and the industry have particular expertise that can contribute to this process.⁴ NTIA, therefore, encourages the Commission to work collaboratively with these groups to develop improved billing policies and practices.

In addition, customers deserve accurate and concise explanations of the items on their bills. NTIA therefore urges the Commission to require all carriers who provide interstate services or who bill charges resulting from federal regulatory actions or statutes to comply with several specific measures. First, we agree with the Commission that carriers should be required to describe briefly and accurately in writing the nature of each charge on customers' bills.⁵ For each charge, the identity of the service provider, as opposed to their billing agent or bill aggregator soliciting payment, should be clearly noted on customers' bills in a manner easily recognizable to the subscriber.

Second, much customer confusion has resulted from the new line items on customers' bills placed there by carriers. If carriers choose to recover the costs of doing business through such line items, the Commission should take measures to eliminate the resulting customer confusion. NTIA recommends that the Commission create specific terms and definitions to identify and

³See NPRM, supra note 1, 13 FCC Rcd at 18179, ¶ 6.

⁴See, e.g., Comments of the Cal. Pub. Util. Comm'n and the People of the State of Cal., at 2-8; Comments of the Nat'l Consumer League, supra note 2, at 2; Comments of GTE (GTE), at 5.

⁵See NPRM, supra note 1, 13 FCC Rcd at 18185, ¶ 20.

explain each applicable line item on customers' bills, rather than adopt the "safe harbor" approach proposed in this proceeding. NTIA's suggested approach will allow customers to more easily compare applicable charges levied by different competitors. Appropriate line item labels and associated descriptions should be based on the current record in this proceeding and, if necessary, additional information gathered in a further rulemaking. While carriers should be required to use the designated label and explanation for each line item, they should be free to supplement Commission-mandated descriptions in a manner that would provide greater clarity for the consumer.

Third, to help customers detect slamming or cramming activities or other possible errors in their bills, carriers should be required to highlight any changes in a bill, showing both former and successive service providers, any new charges, and changes in existing charges, by any appropriate means. In addition, carriers should be required to identify specific charges on customers' bills for which non-payment will result in termination of a particular service or services.

Finally, NTIA recommends that the Commission require subject carriers to provide sufficient information with customer bills to enable customers to contact carriers directly with billing questions, billing complaints, and for a further explanation of specific charges. Each subject carrier that seeks payment on a customer's bill should be required to provide the service provider's name, a business mailing address, a toll-free telephone number, and, if available, a public e-mail address and website location.

While NTIA advocates the adoption of a number of specific billing requirements, we do not recommend that the Commission require a specific bill structure or format specifications at this time. Consumers should receive adequate billing information, without the imposition of excessively detailed billing requirements that would be costly for both the industry and customers alike.⁶ Thus, the Commission should give carriers, either individually or collectively, a chance to develop better organized bills that clearly explain charges, highlight changes, specifically identify carriers seeking charges, and provide adequate information on how to contact carriers when questions arise.⁷ At this stage, NTIA believes that carriers should be

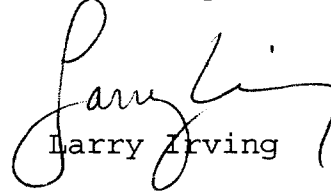
⁶ See, e.g., Comments of BellSouth Corp., at 3; GTE, supra note 4 at 6; Comments of MCI WorldCom, Inc. (MCI WorldCom), at 33-34; Comments of SBC Comm., Inc., at 8, 10.

⁷ The Commission will have ample opportunity to review forthcoming improvements in billing practices by carriers and to craft further requirements, if necessary.

free to choose whether, for example, to print descriptions of charges on individual bills or provide this information as bill inserts. It may make sense for some carriers to use inserts now, while adopting "printed on bill" descriptions after completing bill printing modifications. Other carriers might opt for bill inserts to deliver descriptions in languages appropriate to their customers. NTIA believes that the Commission should give the industry an opportunity to step forward now to develop specific billing practices that result in more informed consumers.⁸

Ultimately, when consumers know what their fixed monthly, per-minute, and percentage charges are, they will be in the best position to make informed decisions and thus bring about the full promise of competition. Thank you for your consideration of these views.

Sincerely,



Larry Irving

cc: Commissioner Susan Ness
Commissioner Harold Furchtgott-Roth
Commissioner Michael Powell
Commissioner Gloria Tristani
Kathryn C. Brown, Chief of Staff
Lawrence E. Strickling, Chief, Common Carrier Bureau

⁸ See, e.g., MCI WorldCom, supra note 6, at 3, 20; Comments of Sprint Corp., at 4; GTE, supra note 4, at 8-9.